

Introduced by Senator Denham

February 17, 2004

An act to amend Sections 66025.6, 69433.4, 69750, 69750.3, 69750.5, 69750.7, 69751, 69751.3, and 69751.5 of, and to add Section 69751.4 to, the Education Code, and to amend Section 981.8 of the Military and Veterans Code, relating to veterans.

LEGISLATIVE COUNSEL'S DIGEST

SB 1322, as introduced, Denham. Veterans: student financial aid.

(1) Existing law, until January 1, 2007, grants to qualifying members of the National Guard, the State Military Reserve, and the Naval Militia an entitlement to academic leave when active duty, as defined, interrupts undergraduate college attendance for the purpose of pursuing an undergraduate degree.

This bill would extend the duration of this entitlement until January 1, 2012. The bill would also extend this entitlement to members of the National Guard, the State Military Reserve, and the Naval Militia who are graduate students or who are enrolled in or who have completed a program of instruction in a vocational diploma program, as defined, where enrollment qualifies a student for participation in the Federal Family Education Loan Program or any loan program approved by the Student Aid Commission.

(2) Existing law, known as the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Act, establishes the Cal Grant A and B entitlement awards, the California Community College Transfer Entitlement awards, the Competitive Cal Grant A and B awards, the Cal Grant C awards, and the Cal Grant T awards under the administration of the Student Aid Commission, and establishes eligibility requirements for awards under these programs for



participating students attending qualifying institutions. Among other things, the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Act requires, until January 1, 2007, that a recipient of a Cal Grant award who is a member of the National Guard, the State Military Reserve, or the Naval Militia on active duty, as defined, who is obliged to withdraw from his or her studies because of that active duty, and who later resumes those studies no later than one year after completing that active duty, does not forfeit either any of the monetary value of the Cal Grant award or any of his or her period of eligibility for that award.

This bill would extend the duration of this requirement until January 1, 2012.

(3) Existing law establishes, commencing with the 2004–05 fiscal year, and ending with the 2006–07 fiscal year, the National Guard Assumption Program of Loans for Education, for qualifying members of the National Guard, the State Military Reserve, and the Naval Militia as defined, who seek, or who have completed, baccalaureate degrees at institutions of higher education within this state, who receive a loan under a designated loan program, and who complete a certain period of service as a qualifying members. Under the National Guard Assumption Program of Loans for Education, a qualifying member is eligible to receive up to \$11,000 in loan assumption payments if he or she completes up to 4 years of qualifying service.

This bill would extend the National Guard Assumption Program of Loans for Education until the 2012–13 fiscal year. The bill would authorize qualifying members of the National Guard, the State Military Reserve, and the Naval Militia who are enrolled in, or have completed, a program of study in a qualifying vocational diploma program, to participate in the program. The bill would require the Student Aid Commission to report annually to the Legislature regarding the total number of participants in the program, as well as the number of participants who receive a loan assumption benefit, classified by payment year, and categorized by age, ethnicity, and gender.

The bill would specify that, in any fiscal year, the commission may not issue more than the number of warrants that are authorized by the Governor and the Legislature in the annual Budget Act for the assumption of loans under this bill.

(4) Existing law, in effect until January 1, 2007, requests the Office of the Adjutant General to make copies of the enrollment fee waiver application of the Board of Governors of the California Community Colleges and the Free Application for Federal Student Aid (FAFSA)



available to each member of the California National Guard, the State Military Reserve, and the Naval Militia who does not have a baccalaureate degree. Existing law also requests the Office of the Adjutant General to assist these persons in completing these forms, as needed.

This bill would extend the operation of the provisions containing these requests until January 1, 2012.

(5) Existing law establishes the California Postsecondary Education Commission for, among other purposes, the collection of data pertinent to the planning and coordination of the higher education system of the state.

The bill would require the California Postsecondary Education Commission, in consultation with the Military Department and the Student Aid Commission, to evaluate the programs discussed above. The bill would require that this evaluation be submitted, in writing, to the Director of Finance and the Legislature no later than September 30, 2010.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 66025.6 of the Education Code is
2 amended to read:
3 66025.6. (a) As used in this section, the following terms have
4 the following meanings:
5 (1) “Active duty” means either of the following:
6 (A) Active federal service or full-time national guard duty on
7 behalf of the United States of America either voluntarily, or when
8 involuntarily ordered to duty by appropriate authorities under Title
9 10 or Title 32 of the United States Code during a period of armed
10 conflict, mobilization, contingency operations, or other crisis.
11 (B) (i) Active military duty in the service of the state when the
12 Governor has issued a proclamation of a state of insurrection
13 pursuant to Section 143 of the Military and Veterans Code or a
14 proclamation of a state of emergency; or
15 (ii) When the National Guard is on active duty pursuant to
16 Section 146 of the Military and Veterans Code, or is called to active
17 service or duty under Chapter 7.5 (commencing with Section 400)
18 of Part 1 of Division 2 of the Military and Veterans Code, and a



1 certificate of satisfactory service, or an equivalent thereof, is
2 issued by the Military Department.

3 (2) “Qualifying member” means a person who:

4 (A) Is a resident, as defined in Section 68017.

5 (B) Is currently an active member of, and has satisfactorily
6 served for at least one year in, the California National Guard, the
7 State Military Reserve, or the Naval Militia, and maintains
8 satisfactory service throughout the period that ~~tuition and fees are~~
9 ~~waived~~ *he or she receives consideration* pursuant to this section,
10 *or throughout the period that his or her student loan payments are*
11 *assumed under Article 12.5 (commencing with Section 69750) of*
12 *Chapter 2 of Part 42, whichever is longer.*

13 (C) ~~Is~~ *Has completed a baccalaureate degree, or is currently*
14 *enrolled, and in good standing, in an undergraduate program of*
15 *instruction, or has been admitted to a program in which he or she*
16 *will be enrolled, on at least a half-time basis, at a campus of the*
17 ~~University of California, the California State University, or the~~
18 ~~California Community Colleges~~ *an institution of higher education*
19 *in this state, or is enrolled in or has completed a program of*
20 *instruction in a vocational diploma program as defined in Section*
21 *94746 where enrollment qualifies a student for participation in the*
22 *Federal Family Education Loan Program (20 U.S.C. Sec. 1071 et*
23 *seq.) or any loan program approved by the Student Aid*
24 *Commission.*

25 (b) (1) Any qualifying member, and any member of the
26 California National Guard, the State Military Reserve, or the
27 Naval Militia who meets the qualifications of subparagraphs (A)
28 and (B) of paragraph (2) of subdivision (a) and who is enrolled,
29 and in good standing in a graduate program of instruction, who
30 undertakes active duty is entitled to an academic leave of absence
31 for any academic session that the ~~qualifying member~~ *person* is
32 unable to attend or complete because he or she is on active duty.
33 *It is the intent of the Legislature that a graduate or undergraduate*
34 *student who is called to active military duty as a member of the*
35 *California National Guard, the State Military Reserve, or the*
36 *Naval Militia not be academically penalized as a result of any*
37 *academic leave of absence that he or she takes in accordance with*
38 *this paragraph.*

1 ~~(2) A qualifying member who takes an academic leave of~~
2 ~~absence during an academic session pursuant to this subdivision~~
3 ~~may have his or her transcripts cleared for that academic term.~~

4 ~~(3) The graduation requirements for a qualifying member who,~~
5 within one year of returning from active duty, resumes his or her
6 studies at the same postsecondary educational institution shall be,
7 *the extent that it is feasible*, the same as the graduation
8 requirements at the time the qualifying member initially enrolled.

9 (c) The Military Department shall determine whether an
10 individual meets the requirements of “active duty” and
11 “qualifying member,” as they are set forth in subdivision (a). The
12 department shall issue a certificate to individuals who meet those
13 requirements.

14 (d) This section shall remain in effect only until January 1,
15 ~~2007~~ 2012, and as of that date is repealed, unless a later enacted
16 statute that is enacted before January 1, ~~2007~~ 2012, deletes or
17 extends that date.

18 SEC. 2. Section 69433.4 of the Education Code is amended
19 to read:

20 69433.4. (a) Notwithstanding any other provision of law, a
21 recipient of a Cal Grant award who is a member of the National
22 Guard, the State Military Reserve, or the Naval Militia on active
23 duty within the meaning of Section 66025.6, who is obliged to
24 withdraw from his or her studies because of that active duty, and
25 who later resumes those studies no later than one year after
26 completing that active duty, does not forfeit either any of the
27 monetary value of the Cal Grant award or any of his or her period
28 of eligibility for that award.

29 (b) This section shall remain in effect only until January 1,
30 ~~2007~~ 2012, and as of that date is repealed, unless a later enacted
31 statute that is enacted before January 1, ~~2007~~ 2012, deletes or
32 extends that date.

33 SEC. 3. Section 69750 of the Education Code is amended to
34 read:

35 69750. Commencing with the 2004–05 fiscal year, the
36 National Guard Assumption Program of Loans for Education is
37 established for qualifying members of the National Guard, the
38 State Military Reserve, or the Naval Militia within the meaning of
39 Section 66025.6 who seek, or who have completed, ~~baccalaureate~~
40 degrees at institutions of higher education within this state, *or who*

1 *are enrolled in or have completed a program of instruction in a*
2 *vocational diploma program, as defined in Section 94746, where*
3 *enrollment qualifies a student for participation in the Federal*
4 *Family Education Loan Program (20 U.S.C. Sec. 1071 et seq.) or*
5 *any loan program approved by the Student Aid Commission for*
6 *this purpose.*

7 SEC. 4. Section 69750.3 of the Education Code is amended
8 to read:

9 69750.3. (a) Any qualifying member of the National Guard,
10 the State Military Reserve, or the Naval Militia enrolled in an
11 institution of higher education *or a vocational diploma program*
12 *as defined in Section 94746* participating in the loan assumption
13 program set forth in this article is eligible to enter into an
14 agreement for loan assumption, to be redeemed pursuant to
15 Section 69750.5. In order to be eligible to enter into a loan
16 assumption agreement, an applicant shall satisfy both of the
17 conditions specified in subdivision (b).

18 (b) (1) The applicant is currently enrolled in, or has been
19 admitted to, a program in which he or she will be enrolled in at least
20 10 semester units or the equivalent. The applicant shall agree to
21 maintain not less than 10 semester units per semester, or the
22 equivalent, and to maintain satisfactory academic progress.

23 (2) In order to meet the costs associated with obtaining a
24 ~~baccalaureate~~ degree *or enrollment in a qualified vocational*
25 *diploma program as defined in Section 94746*, the applicant has
26 received, or is approved to receive, a loan under one or more the
27 following designated loan programs:

28 (A) The Federal Family Education Loan Program (20 U.S.C.
29 Sec. 1071 et seq.).

30 (B) Any loan program approved by the Student Aid
31 Commission.

32 (c) A person participating in the program pursuant to this
33 article shall not be eligible to enter into more than one agreement
34 under this article.

35 SEC. 5. Section 69750.5 of the Education Code is amended
36 to read:

37 69750.5. The Student Aid Commission shall commence loan
38 assumption payments, as required by Section 69750.7, upon
39 ~~verification~~ *receipt of a certificate from the Military Department*

1 *verifying* that the applicant has met the requirements of the loan
2 assumption agreement and all other conditions of this article.

3 SEC. 6. Section 69750.7 of the Education Code is amended
4 to read:

5 69750.7. The terms of the loan assumption agreements
6 granted under this article shall be as follows, subject to the specific
7 terms of each warrant:

8 (a) After a program participant has completed one year of
9 additional service as a qualifying member within the meaning of
10 Section 66025.6, the Student Aid Commission shall assume up to
11 two thousand dollars (\$2,000) of the participant's outstanding
12 liability, *related to qualifying undergraduate or vocational*
13 *education*, under one or more of the designated loan programs.

14 (b) After a program participant has completed two consecutive
15 years of additional service as a qualifying member within the
16 meaning of Section 66025.6, the commission shall assume up to
17 an additional three thousand dollars (\$3,000) of the participant's
18 outstanding liability, *related to qualifying undergraduate or*
19 *vocational education*, under one or more of the designated loan
20 programs, for a total loan assumption of up to five thousand dollars
21 (\$5,000).

22 (c) After a program participant has completed three consecutive
23 years of additional service as a qualifying member within the
24 meaning of Section 66025.6, the commission shall assume up to
25 a maximum of an additional three thousand dollars (\$3,000) of the
26 participant's outstanding liability, *related to qualifying*
27 *undergraduate or vocational education*, under one or more of the
28 designated loan programs, for a total loan assumption of up to
29 eight thousand dollars (\$8,000).

30 (d) After a program participant has completed four consecutive
31 years of additional service as a qualifying member within the
32 meaning of Section 66025.6, the commission shall assume up to
33 a maximum of an additional three thousand dollars (\$3,000) of the
34 participant's outstanding liability, *related to qualifying*
35 *undergraduate or vocational education*, under one or more of the
36 designated loan programs, for a total loan assumption of up to
37 eleven thousand dollars (\$11,000).

38 SEC. 7. Section 69751 of the Education Code is amended to
39 read:

1 69751. (a) The Student Aid Commission shall administer
2 this article, and, *in consultation with the Military Department*,
3 shall adopt rules and regulations for that purpose. The rules and
4 regulations shall include, but need not be limited to, provisions
5 regarding the period of time for which a loan assumption
6 agreement shall remain valid, the reallocation of funds that are not
7 utilized, and the development of projections for funding purposes.
8 The commission shall solicit the advice of representatives from
9 postsecondary education institutions regarding the proposed rules
10 and regulations.

11 (b) The Student Aid Commission shall work in conjunction
12 with lenders participating in federal loan programs to develop a
13 streamlined application process for participation in the program
14 set forth in this article.

15 SEC. 8. Section 69751.3 of the Education Code is amended
16 to read:

17 69751.3. (a) On or before July 1, 2006, the Office of the
18 Adjutant General shall submit a report to the Legislature on the
19 effectiveness of the National Guard Assumption Program of
20 Loans for Education established by this article.

21 (b) *The commission shall report annually to the Legislature*
22 *regarding both of the following, as categorized on the basis of age,*
23 *ethnicity, and gender:*

24 (1) *The total number of participants in the program established*
25 *by this article.*

26 (2) *The number of participants who receive a loan assumption*
27 *benefit, classified by payment year.*

28 SEC. 9. Section 69751.4 is added to the Education Code, to
29 read:

30 69751.4. Notwithstanding any other provision of law, in any
31 fiscal year, the commission shall issue no more than the number
32 of warrants that are authorized by the Governor and the Legislature
33 in the annual Budget Act for the assumption of loans under this
34 article.

35 SEC. 10. Section 69751.5 of the Education Code is amended
36 to read:

37 69751.5. This article shall become inoperative on July 1,
38 ~~2007~~ 2012, and, as of January 1, ~~2008~~ 2013, is repealed, unless a
39 later enacted statute that is enacted before January 1, ~~2008~~ 2013,

1 deletes or extends the date on which it becomes inoperative and is
2 repealed.

3 SEC. 11. Section 981.8 of the Military and Veterans Code is
4 amended to read:

5 981.8. (a) The Office of the Adjutant General is requested to
6 annually make both of the following available to each member of
7 the California National Guard, the State Military Reserve, and the
8 Naval Militia who does not have a baccalaureate degree:

9 (1) A copy of the enrollment fee waiver application of the
10 Board of Governors of the California Community Colleges.

11 (2) A copy of the Free Application for Federal Student Aid
12 (FAFSA).

13 (b) The Office of the Adjutant General is requested to provide
14 assistance as necessary to help the members complete the forms
15 made available to them under subdivision (a).

16 (c) This section shall remain in effect only until January 1,
17 ~~2007~~ 2012, and as of that date is repealed, unless a later enacted
18 statute that is enacted before January 1, ~~2007~~ 2012, deletes or
19 extends that date.

20 SEC. 12. The California Postsecondary Education
21 Commission, in consultation with the Military Department and the
22 Student Aid Commission, shall evaluate the operation of the
23 benefits and programs established pursuant to Section 66025.6 of,
24 and Article 12.5 (commencing with Section 69750) of Chapter 2
25 of Part 42 of, the Education Code. This evaluation shall be
26 submitted, in writing, to the Director of Finance and the
27 Legislature no later than September 30, 2010.

